

VISITATIONS POLICY

OVERVIEW

Visitations are required to be conducted **within** 12 months after an examination in which a composite "3" compliance rating has been assigned. The 12 month time frame is measured from the previous examination start date.

Policy Objective(s)

The primary objective is to:

Determine the financial institution's progress in complying with the requirements of an informal or formal enforcement action and correcting deficiencies noted at the previous examination or visitation

In This Section

TOPIC	SEE PAGE:
VISITATION GUIDELINES	A-1
EXAMINER RESPONSIBILITIES	A-2
REGIONAL OFFICE RESPONSIBILITIES	A-4
WORKPAPER STANDARDS	A-5
REFERENCES	A-6

VISITATION GUIDELINES

Visitations scheduled for reasons other than ascertaining the compliance posture of a composite "3" rated financial institution, or within a shorter time interval, will be at the discretion of the Regional Manager.

Visitations can be scheduled, at any time, for reasons such as:

Ascertaining the compliance/CRA posture of a financial institution that is newly chartered, involved in a recent or proposed merger, or recently converted to state nonmember status

Investigating problems identified from information obtained from a financial institution or third party

VISITATION GUIDELINES (cont'd)

Determining the extent of corrective action taken by a financial institution with a composite compliance rating of "4" or "5," or a composite CRA rating or state or multi-state rating of "Needs to Improve" or "Substantial Noncompliance" since its last examination or visitation

Ascertaining a financial institution's compliance with a formal or informal enforcement action

Visitation Guidelines	
1.	Consider the recommendation of the previous Examiner-in-Charge (noted on Page A, Compliance – Supervisory Section in the confidential pages) for scheduling follow-up visitations.
2.	Tailor the visitation to address the financial institution's deficiencies or concerns identified in the previous Compliance Report of Examination or from other information.
3.	<p>Visitations may be expanded to a regular compliance/CRA examination with the Examiner-in-Charge's recommendation and Regional Manager's concurrence.</p> <p>This recommendation should be considered in situations where:</p> <p>Significant deficiencies are noted in a financial institution's compliance/CRA policies or procedures</p> <p>Significant noncompliance is noted regarding previously criticized areas</p> <p>Significant noncompliance with an informal or formal enforcement action is noted</p>

EXAMINER RESPONSI- BILITIES

General Procedures

General Procedures	
1.	Perform appropriate PEP procedures prior to the commencement of the on-site visitation. These procedures include review of: last Report of Examination, and correspondence and complaint files. The financial institution should be notified of the date of the visitation. A PEP memorandum is not required.

**EXAMINER
RESPONSI-
BILITIES
(cont'd)****General
Procedures
(cont'd)**

2. Conduct visitation. An initial meeting with management should define the scope of the visitation.

3. If applicable, prepare violations list and leave copy with management at the closing management meeting. Examiners will use the violations pages from the Report of Examination and include these pages with the visitation report submitted to the Regional Office.

4. Conduct closing management meeting with management and, if the situation warrants, a meeting with the board.

Refer to the Closing Management and Board Meetings Policy section under the Other Examination Policies\Processes section of this manual.

5. Prepare Report of Visitation and forward to the Regional Office.

**Report of
Visitation**

The Report of Visitation consists of the following pages:

Prepare the Report of Visitation

1. Prepare the Data Entry Form.

Complete the Data Entry Form accessed through the automated Report of Examination

Complete all date fields

Categorize hours in the same manner as a regular examination

Refer to the Compliance Statistical System (CSS) Appendix of this manual for more detailed information regarding instructions for completing the Data Entry Form.

NOTE: If Regional Policy is to forward the visitation report, violations pages would be included. If Regional policy is to summarize the findings of the visitation, the violations should be summarized in a letter to the financial institution.

**EXAMINER
RESPONSI-
BILITIES
(cont'd)**

**Report of
Visitation
(cont'd)**

2. Prepare Page 1 (Report of Visitation – Compliance) (required).

Use Single-Page Visitation format or Multi-Page Visitation format

Refer to the Sample Visitations section under Part VII, Report Format, in this manual.

Use topical headings, such as those used to prepare Page 1 comments for the Compliance Report of Examination

Provide a recommendation to the Regional Office on whether to remove or retain reporting requirements contained within the formal or informal enforcement action (include on either Page 1 or Page A)

3. Prepare Violations Pages (if applicable).

4. Prepare Page A (Compliance – Supervisory Section) (optional).

Prepare if Report of Visitation is returned to the financial institution and sensitive information is included

Provide recommendation to the Regional Office on whether to remove or retain reporting requirements contained within outstanding formal or informal enforcement actions (include on either Page 1 or Page A)

5. Forward the Report of Visitation to the Regional Office in accordance with established policy.

**REGIONAL
OFFICE
RESPONSI-
BILITIES**

The Regional Office will conduct a review.

At the discretion of the Regional Manager, the Regional Office will forward a summary of visitation findings to the financial institution, by either of the following:

Transmittal letter only

Transmittal letter and Report of Visitation

*NOTE: Visitations **may** result in the removal of informal enforcement actions, but **will not** result in rating(s) changes or in removal of formal enforcement actions.*

**WORKPAPER
STANDARDS**

Standardized workpapers must be completed for applicable areas reviewed during each visitation. Refer to the Standardized Workpapers Appendix in this manual.

**FDIC LAW,
REGULATIONS
, & RELATED
ACTS****Applicable Rules**

None

**Advisory
Opinions**

None

**Statements of
Policy**

None

**DCA
MEMORANDA**

Closing Management and Board Meetings Policy, Transmittal No. DCA-96-009, dated 1/31/96

General Workpaper Standards and Standardized Workpapers, Transmittal #DCA-96-003, dated 1/19/96

Pre-Examination Planning (PEP) Procedures, Transmittal No. DCA-96-013, dated 1/31/96

Visitation Policy, Transmittal #DCA-96-004, dated 1/19/96

**FINANCIAL
INSTITUTION
LETTERS (FIL)**

None